

# SENATE AMENDMENT NO. \_\_\_\_\_

Offered by \_\_\_\_\_ Of \_\_\_\_\_

Amend SS#2/SCS/House Bill No. 1700, Page 104, Section 144.759, Line 23,

2 by inserting immediately after all of said line the following:

3 "253.559. 1. To obtain approval for tax credits allowed  
 4 under sections 253.545 to 253.559, a taxpayer shall submit an  
 5 application for tax credits to the department of economic  
 6 development. Each application for approval, including any  
 7 applications received for supplemental allocations of tax credits  
 8 as provided under subsection 10 of this section, shall be  
 9 prioritized for review and approval, in the order of the date on  
 10 which the application was postmarked, with the oldest postmarked  
 11 date receiving priority. Applications postmarked on the same day  
 12 shall go through a lottery process to determine the order in  
 13 which such applications shall be reviewed.

14 2. Each application shall be reviewed by the department of  
 15 economic development for approval. In order to receive approval,  
 16 an application, other than applications submitted under the  
 17 provisions of subsection 10 of this section, shall include:

18 (1) Proof of ownership or site control. Proof of ownership  
 19 shall include evidence that the taxpayer is the fee simple owner  
 20 of the eligible property, such as a warranty deed or a closing  
 21 statement. Proof of site control may be evidenced by a leasehold

1 interest or an option to acquire such an interest. If the  
2 taxpayer is in the process of acquiring fee simple ownership,  
3 proof of site control shall include an executed sales contract or  
4 an executed option to purchase the eligible property;

5 (2) Floor plans of the existing structure, architectural  
6 plans, and, where applicable, plans of the proposed alterations  
7 to the structure, as well as proposed additions;

8 (3) The estimated cost of rehabilitation, the anticipated  
9 total costs of the project, the actual basis of the property, as  
10 shown by proof of actual acquisition costs, the anticipated total  
11 labor costs, the estimated project start date, and the estimated  
12 project completion date;

13 (4) Proof that the property is an eligible property and a  
14 certified historic structure or a structure in a certified  
15 historic district;

16 (5) A copy of all land use and building approvals  
17 reasonably necessary for the commencement of the project; and

18 (6) Any other information which the department of economic  
19 development may reasonably require to review the project for  
20 approval.

21  
22 Only the property for which a property address is provided in the  
23 application shall be reviewed for approval. Once selected for  
24 review, a taxpayer shall not be permitted to request the review  
25 of another property for approval in the place of the property  
26 contained in such application. Any disapproved application shall  
27 be removed from the review process. If an application is removed  
28 from the review process, the department of economic development  
29 shall notify the taxpayer in writing of the decision to remove

1 such application. Disapproved applications shall lose priority  
2 in the review process. A disapproved application, which is  
3 removed from the review process, may be resubmitted, but shall be  
4 deemed to be a new submission for purposes of the priority  
5 procedures described in this section.

6 3. (1) In evaluating an application for tax credits  
7 submitted under this section, the department of economic  
8 development shall also consider:

9 (a) The amount of projected net fiscal benefit of the  
10 project to the state and local municipality, and the period in  
11 which the state and municipality would realize such net fiscal  
12 benefit;

13 (b) The overall size and quality of the proposed project,  
14 including the estimated number of new jobs to be created by the  
15 project, the potential multiplier effect of the project, and  
16 similar factors;

17 (c) The level of economic distress in the area; and

18 (d) Input from the local elected officials in the local  
19 municipality in which the proposed project is located as to the  
20 importance of the proposed project to the municipality. For any  
21 proposed project in any city not within a county, input from the  
22 local elected officials shall include, but shall not be limited  
23 to, the president of the board of aldermen.

24 (2) The provisions of this subsection shall not apply to  
25 applications for projects to receive less than two hundred  
26 seventy-five thousand dollars in tax credits.

27 4. If the department of economic development deems the  
28 application sufficient, the taxpayer shall be notified in writing  
29 of the approval for an amount of tax credits equal to the amount

1 provided under section 253.550 less any amount of tax credits  
2 previously approved. Such approvals shall be granted to  
3 applications in the order of priority established under this  
4 section and shall require full compliance thereafter with all  
5 other requirements of law as a condition to any claim for such  
6 credits. If the department of economic development disapproves  
7 an application, the taxpayer shall be notified in writing of the  
8 reasons for such disapproval. A disapproved application may be  
9 resubmitted.

10 5. Following approval of an application, the identity of  
11 the taxpayer contained in such application shall not be modified  
12 except:

13 (1) The taxpayer may add partners, members, or shareholders  
14 as part of the ownership structure, so long as the principal  
15 remains the same, provided however, that subsequent to the  
16 commencement of renovation and the expenditure of at least ten  
17 percent of the proposed rehabilitation budget, removal of the  
18 principal for failure to perform duties and the appointment of a  
19 new principal thereafter shall not constitute a change of the  
20 principal; or

21 (2) Where the ownership of the project is changed due to a  
22 foreclosure, deed in lieu of a foreclosure or voluntary  
23 conveyance, or a transfer in bankruptcy.

24 6. In the event that the department of economic development  
25 grants approval for tax credits equal to the total amount  
26 available under subsection 2 of section 253.550, or sufficient  
27 that when totaled with all other approvals, the amount available  
28 under subsection 2 of section 253.550 is exhausted, all taxpayers  
29 with applications then awaiting approval or thereafter submitted

1 for approval shall be notified by the department of economic  
2 development that no additional approvals shall be granted during  
3 the fiscal year and shall be notified of the priority given to  
4 such taxpayer's application then awaiting approval. Such  
5 applications shall be kept on file by the department of economic  
6 development and shall be considered for approval for tax credits  
7 in the order established in this section in the event that  
8 additional credits become available due to the rescission of  
9 approvals or when a new fiscal year's allocation of credits  
10 becomes available for approval.

11 7. All taxpayers with applications receiving approval on or  
12 after July 1, 2019, shall submit within sixty days following the  
13 award of credits evidence of the capacity of the applicant to  
14 finance the costs and expenses for the rehabilitation of the  
15 eligible property in the form of a line of credit or letter of  
16 commitment subject to the lender's termination for a material  
17 adverse change impacting the extension of credit. If the  
18 department of economic development determines that a taxpayer has  
19 failed to comply with the requirements under this subsection,  
20 then the department shall notify the applicant of such failure  
21 and the applicant shall have a thirty-day period from the date of  
22 such notice to submit additional evidence to remedy the failure.

23 8. All taxpayers with applications receiving approval on or  
24 after the effective date of this act shall commence  
25 rehabilitation within nine months of the date of issuance of the  
26 letter from the department of economic development granting the  
27 approval for tax credits. "Commencement of rehabilitation" shall  
28 mean that as of the date in which actual physical work,  
29 contemplated by the architectural plans submitted with the

1 application, has begun, the taxpayer has incurred no less than  
2 ten percent of the estimated costs of rehabilitation provided in  
3 the application. Taxpayers with approval of a project shall  
4 submit evidence of compliance with the provisions of this  
5 subsection. If the department of economic development determines  
6 that a taxpayer has failed to comply with the requirements  
7 provided under this section, the approval for the amount of tax  
8 credits for such taxpayer shall be rescinded and such amount of  
9 tax credits shall then be included in the total amount of tax  
10 credits, provided under subsection 2 of section 253.550, from  
11 which approvals may be granted. Any taxpayer whose approval  
12 shall be subject to rescission shall be notified of such from the  
13 department of economic development and, upon receipt of such  
14 notice, may submit a new application for the project.

15 9. (1) To claim the credit authorized under sections  
16 253.550 to 253.559, a taxpayer with approval shall apply for  
17 final approval and issuance of tax credits from the department of  
18 economic development which, in consultation with the department  
19 of natural resources, shall determine the final amount of  
20 eligible rehabilitation costs and expenses and whether the  
21 completed rehabilitation meets the standards of the Secretary of  
22 the United States Department of the Interior for rehabilitation  
23 as determined by the state historic preservation officer of the  
24 Missouri department of natural resources. The department of  
25 natural resources shall allow for a third party audit as evidence  
26 that the completed rehabilitation meets the qualified  
27 rehabilitation standards.

28 (2) Within sixty days of the department's receipt of all  
29 materials required by the department for an application for final

1 approval and issuance of tax credits, the department shall issue  
2 to the taxpayer tax credit certificates in the amount of seventy-  
3 five percent of the lesser of:

4 (a) The total amount of the tax credits for which the  
5 taxpayer is eligible as provided in the taxpayer's certification  
6 of qualified expenses submitted with an application for final  
7 approval; or

8 (b) The total amount of tax credits approved for such  
9 project under subsection 3 of this section, including any amounts  
10 approved in connection with a material change in scope of the  
11 project.

12 (3) Within one hundred twenty days of the department's  
13 receipt of all materials required by the department for an  
14 application of final approval and issuance of tax credits for a  
15 project, the department shall:

16 (a) Make a final determination of the total costs and  
17 expenses of rehabilitation and the amount of tax credits to be  
18 issued for such costs and expenses;

19 (b) Notify the taxpayer in writing of its final  
20 determination; and

21 (c) Issue to the taxpayer tax credit certificates in an  
22 amount equal to the remaining amount of tax credits for which  
23 such taxpayer is eligible to receive, as determined by the  
24 department, but was not issued in the initial tax credit issuance  
25 under subdivision (2) of this subsection.

26 (4) If the department determines that the amount of tax  
27 credits issued to a taxpayer in the initial tax credit issuance  
28 under subdivision (2) of this subsection is in excess of the  
29 total amount of tax credits such taxpayer is eligible to receive,

1 as determined by the department, the department shall notify such  
2 taxpayer and such taxpayer shall repay the department an amount  
3 equal to such excess.

4 (5) For financial institutions credits authorized pursuant  
5 to sections 253.550 to ~~[253.561]~~ 253.559 shall be deemed to be  
6 economic development credits for purposes of section 148.064.  
7 The approval of all applications and the issuing of certificates  
8 of eligible credits to taxpayers shall be performed by the  
9 department of economic development. The department of economic  
10 development shall inform a taxpayer of final approval by letter  
11 and shall issue, to the taxpayer, tax credit certificates. The  
12 taxpayer shall attach the certificate to all Missouri income tax  
13 returns on which the credit is claimed.

14 10. Except as expressly provided in this subsection, tax  
15 credit certificates shall be issued in the final year that costs  
16 and expenses of rehabilitation of the project are incurred, or  
17 within the twelve-month period immediately following the  
18 conclusion of such rehabilitation. In the event the amount of  
19 eligible rehabilitation costs and expenses incurred by a taxpayer  
20 would result in the issuance of an amount of tax credits in  
21 excess of the amount provided under such taxpayer's approval  
22 granted under subsection 4 of this section, such taxpayer may  
23 apply to the department for issuance of tax credits in an amount  
24 equal to such excess. Applications for issuance of tax credits  
25 in excess of the amount provided under a taxpayer's application  
26 shall be made on a form prescribed by the department. Such  
27 applications shall be subject to all provisions regarding  
28 priority provided under subsection 1 of this section.

29 11. The department of economic development shall determine,

1 on an annual basis, the overall economic impact to the state from  
2 the rehabilitation of eligible property."; and  
3 Further amend the title and enacting clause accordingly.